



## 25 YEARS OF SDC IN VIETNAM GIVING PEOPLE A VOICE

### EDITORIAL

The 'Asia Brief' series is designed to inform development specialists and the general public about innovations and the results of Switzerland's development cooperation in Asia. This is a special edition in that it focuses on the path that the Swiss Agency for Development and Cooperation (SDC) has pursued with Vietnam over the past 25 years since its first project and on how it is now withdrawing its activities from the country to hand over to the State Secretariat for Economic Affairs (SECO).

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### THE SETTING

Vietnam in 1992 was a country still marked by decades of war, hardship and poverty. Rationing of daily consumer goods had only just been lifted, as private shops and street markets displaced state-run warehouses. Bicycles were still prevalent, but motorbikes, especially the trusty Honda Dream produced in Thailand, were becoming a part of the cityscape. Foreigners began to arrive in the cities.

The war between the North and the South had ended in 1975. More than 3 million civilians are thought to have died, bereaving every family in the country. The new regime moved quickly to assert its control, but the upheaval of the Reunification led to a decade of social and economic calamities.

The central planning system was unable to meet the needs of the population. Poverty and malnourishment were rampant. The farmers in the south boycotted collective farming and thwarted the land re-

forms imposed after Reunification, while southern politicians and business people pushed to open the country to foreign trade and investment.

### THE BEGINNING OF REFORMS

By the mid-1980s, the economic misery could no longer be ignored as discontent reached new heights. The Communist Party had to act, and in 1986 the Party Congress agreed on a reform policy that gave more freedoms for the private sector in economic development while maintaining the political control of the Party.

By 1990, Vietnam was developing: incomes rose, consumption expanded, health indicators improved. Foreign investment was attracted to a well-educated and cheap labour force. Vietnam was becoming an international partner. In

1994, the USA lifted the trade embargo which had been in force since 1979, carrying with it big expectations and popular excitement.

Vietnam was expanding its foreign diplomatic relations, and a number of countries, among them Switzerland, were looking for ways of supporting Vietnam's new path to development.

### SDC MOVES TO HANOI

In 1992, the Swiss Agency for Development and Cooperation (SDC) started its first project in Vietnam from its regional office in Bangkok. In 1995, SDC set up its country office in Hanoi, with a small staff and a mission to find areas where Switzerland would have special expertise and assistance was both welcome and needed.



Priority ranking for small projects in a community in Hoa Binh province.

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**Launch of Swiss Development Strategy in Vietnam.**

© Swiss Cooperation Office Hanoi



**Urban development planning.**

© Dong Hoi Urban Development Project



**Community people working on building their own irrigation canal as a small project.**

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They did not have to look long. Since 1992, SDC Hanoi has funded more than 32 programmes amounting to CHF216 million. SDC programme activities in Vietnam are estimated to have reached 4.6 to 6.8 million people.

### FROM PLANNERS TO MANAGERS

The first SDC project, carried out in cooperation with the Asia Institute of Technology (AIT) and four leading universities in Vietnam, was the development of a Master of Business Administration programme. Vietnam had many central

planners mainly trained in Russia, but few people had the skills and knowledge required to manage private sector enterprises and public agencies in the growing market economy.

The AIT management project was well received and continued for 17 years. By 2005, hundreds of university staff members had been trained, and a successful PhD programme had produced almost 40 graduates teaching at MBA-level and researching at the partner universities.

### FIGHTING POTHoles AND POLLUTION

The first SDC Country Director was quick to realise that provincial cities had little support in tackling their growth problems and lack of infrastructure. Thus, SDC was one of the first development partners to tackle poverty in urban development programmes.

In 1996, SDC began a decade-long cooperation with the city and provincial governments of Hue, Nam Dinh and Dong Hoi. The programmes tackled problems of urban planning, public service deliv-



**Woman picking tea in a value chain program.**

© Helvetas Swiss Intercooperation



**Community-based decision-making.**

© Helvetas Swiss Intercooperation



**Hands-on training.**

© ESTNV Project



**A functional One-Stop Shop.**

© One-Stop Shop Project

eries, infrastructure, waste management and participatory urban planning.

The urban development programmes were the beginning of what became the signature SDC contribution to Vietnam: local governance and citizen participation.

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### **SUPPORTING PLANNING AND PARTICIPATION**

SDC strived for people's participation in nearly all of its programmes. Finding workable ways for the people to participate was not easy in a country with a long history of top-down rule and weak accountability. In one such innovative way, SDC provided development funds for communes and local communities to manage their own projects.

Relations between local government and the populace improved through democratising local governance. In project areas, many officials changed their attitudes to people's participation, and people, often women and minorities, found opportunities and also confidence to participate in public life.

Beginning in the early 2000s, SDC had developed a clear focus on rural, poor regions with high populations of ethnic minorities. Many programmes were able to achieve a strong poverty focus, in particular the so-called 'value chain programmes', whose main beneficiaries were women and ethnic minorities.

In rural communes, participatory planning processes allowed farmers to influence investment decisions and input to local planning directly. Planning also empowered women as income-earners and decision-makers. The most successful programme for communal planning is the Public Service in Agriculture and Rural Development (PS-ARD). The real contribution of the programme was to match planning with funding through the Commune Development Funds.

SDC was able to carry this one step further in the Community Management Project, in which self-managed communities decided on and managed small-scale investments funds for roads, irrigation and other projects of benefit to the community.

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### **SKILLS FOR DEVELOPMENT**

During the first 15 years, SDC invested in several successful capacity building programmes. The programme for Vocational Training Centres (1994–2007) supported vocational training centres for young people in Ho Chi Minh City and Hanoi. It trained teachers, reformed teaching methods and introduced participatory curricula development together with employers.

With SDC support, science institutions were upgraded and several projects achieved solutions to environmental hazards, such as the arsenic pollution of drinking water in the Red River basin or reduction of environmental hazards from brick production.

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### **EFFECTIVE PUBLIC ADMINISTRATION**

The major share of SDC programmes were carried out with local governments and communities. But it was also a clear strategy of SDC to support central government institutions in the development of policies and public administration.

A major achievement has been the SDC support for One-Stop Shops that have sought to simplify and decentralise public administrative services, typically in the granting of permits and licences. One-Stop Shops are now established nationwide in all districts and most communes. The experience from Vietnam allowed SDC to replicate One-Stop Shops in Mongolia, Bhutan and Laos.

SDC has been the main funder of the Provincial Governance and Public Administration Performance Index. This index is the first initiative in Vietnam whereby citizens can give feedback on the performance of local governments. The results are publicised for increased transparency and accountability of local governments.

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## LET FARMERS PROFIT FROM THE MARKETS

In the early 2000s, SDC began supporting farmers in getting better access to markets for their products. Increasing production in itself was not enough. Products needed to be sold. The programmes focused on so-called value-chains that assisted farmers to better understand markets and to establish distribution networks with traders and retailers.

Incomes rose in the project areas and nearly all participants reported improved market access for their products. A successful example is Market Access for Rural Poor (MARP), which developed a low-cost model for supporting individual value-chains such as Shan tea, spices, rattan and handicrafts.

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## THE SDC CONTRIBUTION: GIVING PEOPLE A VOICE

In conclusion, the Swiss tradition for local democracy has been at the core of the Swiss-Vietnamese cooperation. SDC's most significant result was to give people a voice in local government and to promote people's participation in decisions affecting their livelihoods.

Not all projects were successful, though most were. Among the least successful SDC projects were those that sought to reform administration of central government institutions. Thus, a project in support of Peoples Elected Bodies did not achieve its objectives and was discontinued by the country office.

The best of the SDC projects supported the development of democratic principles, such as those promoting people's participation in the social and economic development of the nation.



**Handicraft making – selling – buying of Thai ethnic people.**

© Oxfam Vietnam

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## LOOKING AHEAD

Bilateral cooperation between SDC and Vietnam on poverty reduction and governance comes to an end in 2016.

Vietnam will however continue to be a partner in global and regional SDC programs, which address challenges such as water resource management and food security. The bilateral cooperation will be continued by SECO.



**Community meeting to develop a small community project.**

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## IMPRINT

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